

United States Senate

WASHINGTON, DC 20510

November 3, 2011

The Honorable Tony Marchetta
New Jersey Housing and Mortgage Finance Agency
637 South Clinton Avenue
P.O. Box 18550
Trenton, NJ 08650

Dear Mr. Marchetta:

We would like to first thank the New Jersey Housing and Mortgage Finance Agency for working to implement the New Jersey HomeKeeper program. As you know, this federally funded but state run program is critical to stabilizing our neighborhoods and replenishing the strength of our communities. We were excited to hear that a pilot program was launched on March 8, 2011, and that applications were accepted on a statewide basis beginning on May 9, 2011. These are all steps toward helping New Jersey families receive temporary financial assistance they desperately need to remain in their homes.

However, we are very disappointed to learn after inquiring with the Treasury Department that New Jersey ranks dead last among the 19 states that received federal Hardest Hit Fund money in terms of people who have actually been helped. According to Treasury, as of September 30, 2011, only 10 loans have closed, with 9 closings pending, and 35 applicants awaiting bank approval. Given the immense number of registered applicants (6,648) and applications under review (5,680), we are extremely concerned with the slow implementation of this program. There should have been hundreds if not thousands of applicants approved by now, and this lack of progress is particularly unacceptable given that the Treasury Department could rescind \$300 million in funding for New Jersey because of the lack of progress, which would be a terrible outcome for New Jersey's homeowners who need help now.

As a result, we request specific details on NJHMFA's plan to speed up reviews and approvals of applications. This report should include the projected processing time for applications, projected number of approvals and denials of applications, current status of the number of employees and/or contractors NJHMFA is hiring to expedite the program's implementation, and any other pertinent details. If performing the reviews requires more staffing, then we are requesting that you immediately hire more people. We would point out that while Ohio, for example, has 40 people to run this program, New Jersey has only devoted approximately three.

While we are grateful to the numerous public servants at NJHMFA working to execute this program, we are disappointed with the extensive amount of time it has taken to see this program become fully operational and the nominal amount of loans actually made. Each day that passes without the HomeKeeper program being fully implemented, more New Jersey families are losing their homes and communities are further distressed.

We appreciate your prompt attention to this matter. We look forward not only to your response, but to continuing our work together to assist struggling New Jersey homeowners.

Sincerely,


ROBERT MENENDEZ
United States Senator


FRANK R. LAUTENBERG
United States Senator